

## CASE STUDY: How Infoglide Enhanced Its Acquisition Options

*“For us, acquisition wasn’t an accidental process at all,” he said. “And we’re thrilled. The 20/20 Outlook process mapped out a strategy to grow our valuation that ultimately resulted in being acquired.”*

- CEO Mike Shultz after Infoglide’s April 1, 2013, acquisition by FICO

### *Benefits Summary*

- ❖ Clear framework that maximizes company valuation
- ❖ Identification and evaluation of multiple acquirers, ultimately leading to competing relationships
- ❖ Management decisions driven based on increasing valuation
- ❖ Increased productivity from board using value-focused discussions

### *Opportunity*

Infoglide Software’s industry-leading identity resolution technology had enabled it to score significant victories over much larger competitors for government contracts. Revenue was then invested in efforts to achieve traction in commercial software markets. Management sensed that significant revenue opportunities existed with commercial accounts and had won a few contracts, but finding a repeatable sales model proved to be difficult.

Small companies often face a similar challenge. Development of breakthrough technology that attacks specific problems in a unique way results in initial success. A search ensues to find potential applications, with the goal of finding a significant market with problems the technology can solve. If the search stretches out over a long period, the revenue plateaus, and management is tempted to accept business outside the company’s core competencies.

### *Solution*

In attempting to grow revenue and position the company for acquisition, Infoglide employed one of 20/20 Outlook’s Breakout Strategies™. The 5-step process involved:

1. Compiling a list of the 20 most likely acquirers, with inevitable competition;
2. Clustering these acquirers and researching the common needs of each cluster;
3. Completing a gap analysis to contrast the acquirers’ needs with the company’s capabilities;
4. Identifying 20 potential partners/acquisitions that fill the gaps; and
5. Building a Valuation Framework that would guide management decision-making.

The valuation framework helped Infoglide focus on partnering with key companies that would develop an interest in acquiring the company. FICO was in the top tier of the company’s analysis, and the resulting business partnerships with it and others set the stage for an eventual acquisition. As Mike Shultz shared, “I saw many benefits from our 20/20 strategy work. Seeing the market appear to move toward us was actually the result of making daily decisions based on knowledge of our true and highest value.”

### *Benefits*

**Initiate partnerships with potential acquirers.** Many CEOs avoid partnerships because of the difficulty of managing them. Having a deliberate, well-devised plan to build specific relationships greatly enhances success.

**Translate vision into execution.** A CEO’s vision for growth may be the right one, yet finding the most effective way to convert that vision into actionable strategies often requires additional insight.

**Improve decision-making.** Having an accurate mental model that reflects market realities enables the CEO and management team to make daily choices that lead to higher value.

**Increased board productivity.** Organizing board interaction around a well-founded valuation framework contributes to company growth by avoiding unproductive activities, e.g. cheerleading or micromanagement.

### *More on the Acquisition*

Austin Business Journal

[http://www.bizjournals.com/austin/blog/abje\\_news/2013/04/infoglide-software-acquired-by-credit.html](http://www.bizjournals.com/austin/blog/abje_news/2013/04/infoglide-software-acquired-by-credit.html)

Austin American Statesman

<http://www.statesman.com/news/business/austin-based-infoglide-acquired-by-credit-score-gi/nXDXd/>

### *Related Resources*

[Short Video] [Mike Shultz explains the 20/20 Outlook process](#)

[Five Disciplined Steps to Success](#)

[Breakout Strategies in Tough Times](#)

[Optimal Board Conversations](#)

[Is Your Company Geared Up for Growth?](#)

[Crossing the Second Chasm](#)

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